

ESG Policy

Introduction

Our portfolio of care homes provides essential services for some of the UK's most vulnerable people. By working in close partnership with our tenants, we aim to enable high quality, affordable care for residents and to improve the environmental performance of our homes.

We have taken, and will continue to take steps, to ensure that ESG considerations are embedded across our business and that every decision we take is both commercial and sustainable. We take a long-term approach and ensure that environmental, social and good governance issues are fully embedded into our business decisions and strategy. Although, in practice, as a landlord many ESG-related matters are outside of our direct control, such as Scope 3 emissions from tenant procured utilities, we engage with our tenants to influence and advocate for greater environmental awareness and action and to provide support, as required, on wider social and governance aspects.

Operation and Ownership

Overall responsibility for the Policy rests with the Board of Care REIT plc. The Board discharges this responsibility through the Investment Manager who is responsible for the implementation of this Policy and the associated monitoring through its ESG Committee.

Strategic Alignment

Our ESG Policy is focused on three strategic key pillars to deliver positive environmental and social impacts. We seek to deliver:

1) Strategic investment in our existing portfolio to mitigate environmental impacts.

We will

- Undertake detailed environmental due diligence on acquisitions and asset management projects;
- Model a net zero transition pathway for the Group and implement environmental improvements where possible in order to meet climate-related targets;
- Ensure that our care homes comply with the Minimum Energy Efficiency Standard (MEES), as stipulated by the UK Government;
- Obtain, analyse and review data from tenant-controlled (scope 3) energy usage;
- Monitor climate change risks and opportunities and ensure environmental impacts are fully embedded in business decisions and strategy; and
- Engage with tenants on climate-related risks and embodied and operational energy and carbon reduction

2) Have a positive impact on the people living and working in our homes.

We will

- Enable our tenants to provide care at affordable and sustainable levels, funded from the public and private pay markets;
- Invest in assets to improve the quality of the environment for residents and staff;
- Engage with tenants on regulatory compliance; and
- Support relevant charities to support care sector workers.

3) Robust governance and transparent reporting to all stakeholders.

We will

- Produce clear and transparent corporate and environmental disclosures;
- Follow best practice on anti-corruption, bribery and promote responsible business practices;
- Engage with all stakeholders and treat others in a fair and respectful manner without discrimination; and
- Comply with all relevant laws and regulations.

Throughout our business, including our tenants and supply chain, we advocate responsible business practices. This includes being a responsible investor, promoting diversity and inclusion, integrating wellbeing, and being active against modern slavery.

We aim to go beyond compliance and seek continuous performance improvement against a range of objectives and targets which are reviewed on a regular basis. In addition to engaging with industry-recognised indices and reporting standards, we review and publish social and environmental performance data annually.

We treat our colleagues and business partners with fairness, dignity and respect and are committed to equal opportunities. We prohibit bribery and corruption and support the protection of internationally recognised human rights.